

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 2
FOR THE REGULAR MEETING OF
TUESDAY, FEBRUARY 1, 2005 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

ADOPTION AGENDA, DISCUSSION, HEARINGS
SPECIAL HEARING:

ITEM-S500: Two actions related to Payment of the Fiscal Year 2005 Retiree Health Care Balance.

(See City Manager Report No. CMR-05-023.)

(Continued from the meeting of January 25, 2005, Item S500, Subitem B, at the request of the City Council, for further review.)

CITY MANAGER’S RECOMMENDATION:

Introduction and adoption of the ordinance in Subitem A, and adoption of the resolution in Subitem B:

Subitem-A: (O-2005-86 Cor. Copy)

Amending Ordinance No. O-19301 (new series), as amended, entitled “An Ordinance Adopting the Annual Budget for the Fiscal Year 2004-2005 and Appropriating the Necessary Money to Operate the City of San Diego for Said Fiscal Year,” by increasing General Fund appropriations in an amount not to exceed \$4.1 million of surplus General Fund revenue and increasing Non-General Fund department appropriations in an amount not to exceed \$2.4 million to fund the unfunded portion of the Fiscal Year 2005 retiree health care liability.

NOTE: See Item S500, Subitem A, on Tuesday, January 25, 2005, for the first public hearing. Today’s action is the second public hearing and the introduction and adoption of the Ordinance, pursuant to the San Diego City Charter Sections 16, 17, and 71.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)
SPECIAL HEARING: (Continued)

ITEM-S500: (Continued)

Subitem-B: (R-2005-760 Cor. Copy)

Authorizing the City Auditor and Comptroller to: (i) increase General Fund appropriations from projected sales tax revenues in excess of estimates in an amount not to exceed \$4.1 million of surplus General Fund revenue and increase Non-General Fund department appropriations from fund balances or reserves in an amount not to exceed \$2.4 million to fund the unfunded portion of the Fiscal Year 2005 retiree health care liability; and (ii) transfer an amount not to exceed \$6.5 million from contributing funds to the Retirement Fund (as set forth in Attachment A to this Resolution) for the purpose of providing funds to cover retirement health care expenditures in excess of available amounts in the 401(h) account, as described in City Manager Report No. 05-023;

Authorizing the expenditure of an amount not to exceed \$6.5 million from the Retirement Fund, for the purpose of providing funds to cover retirement health care expenditures.

CITY MANAGER SUPPORTING INFORMATION:

In City Manager's Report 04-218, dated September 30, 2004, the City Manager discussed support for the recommendation of the Pension Reform Committee that retiree health care benefits no longer be funded in a manner that reduces assets of the retirement fund. Based upon current projections of monthly health care insurance premiums, the cost of retiree health care will be \$14.4 million in Fiscal Year 2005. The balance remaining in the 401(h) health care trust fund is approximately \$7.9 million, which will be exhausted mid-January 2005, leaving an estimated \$6.5 million to be covered by other sources for retiree health care costs. It is the City Manager's recommendation that this amount be paid by City departments proportionally based upon employee counts.

Irvine/Vattimo/Villa

Aud. Cert. 2500674.

ADOPTION AGENDA, DISCUSSION, HEARINGS
NOTICED HEARINGS:

ITEM-S501: Proposed Amendments to the City's Land Development Code and Local Coastal Program.

Matter of considering approval, modification, or denial of a proposal to amend the City's Land Development Code to clarify that the definition of "Applicant" (Land Development Code Section 113.0103) and "Application Process" (Land Development Code Section 112.0102) includes any project proposal with a City Council/Redevelopment Agency approved and executed Disposition and Development Agreement (DDA).

The proposed action will also require approval of an amendment to the City of San Diego's Local Coastal Program. Final approval of the proposed Land Development Code Amendment is subject to certification by the California State Coastal Commission. As such, the amendment does not become effective within the City's recognized coastal zone boundaries until final certification by the Coastal Commission has occurred.

(See City Manager Report CMR-05-011. City-wide.)

(Continued from the meeting of January 25, 2005, Item 337, at the request of Councilmember Frye, due to a lack of time.)

NOTE: The hearing is open. No testimony was taken on January 25, 2005.

CITY MANAGER'S RECOMMENDATION:

Introduce the following ordinance:

(O-2005-83)

Introduction of an Ordinance amending Chapter 11, Article 2 and Chapter 11, Article 3 of the San Diego Municipal Code by amending Division 1, Section 112.0102 and 113.0103.

OTHER RECOMMENDATIONS:

Planning Commission on December 16, 2004, voted 6-0 to recommend approval; no opposition.

Ayes: Chase, Steele, Lettieri, Garcia, Ontai, Otsuji
Not present: Schultz

This is a matter of City-wide effect. Community Planning Groups have been notified of this item and have not taken a position.

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)
NOTICED HEARINGS: (Continued)

ITEM-S501: (Continued)

CITY MANAGER SUPPORTING INFORMATION:

Background

Under the City's existing Land Development Code (LDC), an applicant cannot "begin" (i.e. submit application for) the permit entitlement process with the Development Services Department until they can demonstrate they have "a legal right, interest, or entitlement" to all parcels/properties inclusive of a proposed development plan (LDC §113.0103). As this definition is currently worded, it is unclear whether a proposed redevelopment project proposal with an approved/executed Disposition and Development Agreement (DDA) would meet the requirements of the LDC. As a result, several redevelopment projects (including affordable housing projects) are facing extreme delays, because staff does not have clear authority to start reviewing the projects for their entitlements.

Given the preceding circumstances, an amendment to the LDC is proposed to clarify the definition "Applicant," thereby allowing redevelopment projects to begin the entitlement review process, as long as the Agency has approved and executed a DDA for the project. The amendment would not change any of the requirements for the approval of entitlements—projects would still need to come before the Hearing Officer, Planning Commission and/or City Council for approval, as currently required.

FISCAL IMPACT:

No direct fiscal impact on the City. However, it is anticipated that the proposed amendments to the Land Development Code could result in significant cost savings for redevelopment projects by providing faster schedules and more predictability in project submittal and permit entitlement processing. Additionally, these cost savings could lead to reductions in the need for public subsidies on some redevelopment projects.

Herring/Cunningham/KS

NOTE: The proposed amendment to the Land Development Code does not constitute a "project" and is therefore exempt from the California Environmental Quality Act pursuant to section 15060(c)(3) of the State CEQA Guidelines.